

Appendix 4D and Financial Report for the Half-year Ended 30 June 2020

1. Company Details

Name of entity: Pivotal Systems Corporation
ARBN: 626 346 325

Reporting period: Half-year ended 30 June 2020
Previous Corresponding Period: Half-year ended 30 June 2019

The financial information contained in the attached consolidated financial report of Pivotal Systems Corporation ("Company") is for the half-year ended 30 June 2020. The previous corresponding period was the half-year ended 30 June 2019.

2. Results for Announcement to the Market

	30 Jun 2020 US\$'000	30 Jun 2019 US\$'000	Up/Down %
Revenue from ordinary activities	10,104	8,012	Up 26%
Gross Profit	148	199	Down 26%
Operating Loss	(4,925)	(5,106)	Down 4%
Loss from ordinary activities after tax attributable to members of the parent entity	(4,954)	(5,076)	Down 2%

3. Review of Operations and Financial Results

Commentary related to the above results and additional information is contained within the attached half-year Financial Report and Directors Report.

4. Dividends

No dividends have been paid or are proposed to be paid by Pivotal Systems Corporation for the half-year 2020 (2019: \$Nil).

5. Net Tangible Assets per share:

	30 Jun 2020	30 Jun 2019
Net tangible assets per share * (US\$ per share)	0.14	0.15

*Right of use asset in respect to property leases have been excluded from the calculation of net tangible assets.

6. Control Gained or Lost Over Entities

There were no changes in control over entities by Pivotal Systems Corporation or its subsidiaries ("Group") during the financial year.

7. Details of Associates and Joint Venture Entities

The Group has no investments in associates or joint ventures during the reporting period.

8. Accounting Standards

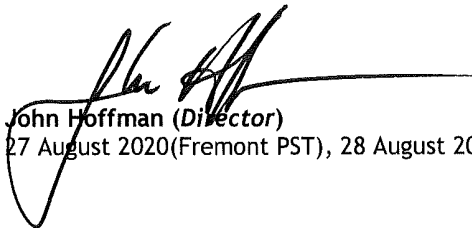
The half-year Financial Report has been compiled using Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB").

Appendix 4D and Financial Report for the Half-year Ended 30 June 2020

9. Audit Status

The Pivotal Systems Corporation Financial Report for the half-year ended 30 June 2020 has been subject to a review by our external auditors, BDO Audit Pty Ltd. A copy of the independent review report to the members of Pivotal Systems Corporation is included within the accompanying half-year Financial Report.

The information contained within this report is to be read in conjunction with the 2019 Annual Report of Pivotal Systems Corporation and any public announcements made to the ASX during the half-year period ending 30 June 2020 pursuant to its continuous disclosure obligations. Further information regarding the Company and its business activities can be obtained by visiting the Company's website at www.pivotalsys.com.

A handwritten signature in black ink, appearing to read 'John Hoffman', with a long horizontal line extending to the right.

John Hoffman (Director)

27 August 2020 (Fremont PST), 28 August 2020 (Sydney AEST)

PIVOTAL SYSTEMS CORPORATION

A DELAWARE CORPORATION
ARBN 626 346 325

FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
30 JUNE 2020

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Corporate Directory

Company

Pivotal Systems Corporation
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Phone: +1 (510) 770 9125
Fax: +1 (510) 770 9126

Website: www.pivotalsys.com

Directors

John Hoffman	Executive Chairman and Chief Executive Officer
Dr. Joseph Monkowski	Executive Director and Chief Technical Officer
Ryan Benton	Independent Non-Executive Director
Kevin Landis	Non-Executive Director
Peter McGregor	Independent Non-Executive Director
David Michael	Non-Executive Director

Australian Securities Exchange Representative

Naomi Dolmatoff

United States Registered Office

c/o Incorporating Services Ltd
3500 South Dupont Highway
Dover, Delaware 19901 USA

Australian Registered Office

c/o Company Matters Pty Limited
Level 12, 680 George Street
Sydney, NSW 2000 Australia

United States Legal Adviser

Fenwick & West LLP
801 California Street
Mountain View, California 94041 USA

Australian Legal Adviser

Maddocks
Angel Place Level 27
123 Pitt Street
Sydney, NSW 2000 Australia

Share Registry

Link Market Services
Level 12, 680 George Street
Sydney, NSW 2000 Australia
Telephone: +61 1300 554 474
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American Stock Transfer and Trust Company, LLC
6201, 15th Avenue
Brooklyn, NY 11219 USA
Telephone: +1 (718) 921 8386

Securities Exchange Listing

Pivotal Systems Corporation (ASX code: PVS).

Chess Depository Interests ("CDIs") over shares of the Company's common stock are quoted on the Australian Securities Exchange. One CDI represents one fully paid share in the Company.

Pivotal Systems Corporation

Half-year period 30 June 2020

Directors' Report

The directors present their report for Pivotal Systems Corporation ("Pivotal" or "Company") together with the interim financial statements on the Consolidated Entity (referred to hereafter as the "Consolidated Entity" or "Group") consisting of the Company and its subsidiaries for the half-year period ended 30 June 2020 and the auditor's review report thereon.

DIRECTORS

The following persons were directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

John Hoffman	Executive Chairman and Chief Executive Officer
Dr. Joseph Monkowski	Executive Director and Chief Technical Officer
Ryan Benton	Independent Non-Executive Director
Kevin Landis	Non-Executive Director
Peter McGregor	Independent Non-Executive Director
David Michael	Non-Executive Director

PRINCIPAL ACTIVITIES

Pivotal designs, develops, manufactures and sells high-performance gas flow control products. This includes the Gas Flow Controller ("GFC") family of products and Flow Ratio Controllers ("FRC") for both etch and deposition applications. The Company's proprietary hardware and software utilizes advanced flow intelligence and proprietary algorithms to enable preventative diagnostic capability resulting in the potential for an order of magnitude increase in fab productivity and capital efficiency for existing and future technology nodes.

Pivotal is incorporated in Delaware, United States and has offices in Fremont California, USA (headquarters) and third party contracted manufacturing ("CM") and assembling facilities in Shenzhen, China and Dongtan, South Korea.

In 3Q2019 Pivotal ended its CM arrangement with Compart Systems in Korea and brought all product manufacturing transformation ("Transformation") activities temporarily back to its Fremont, California headquarters. In 2Q2020, Pivotal qualified a new CM, H.S. Inc. in Korea for Transformation and in late July restarted all Transformation activities back in Korea.

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

Financial results

Revenue for the half-year ended 30 June 2020 increased 26% to \$10.1 million (2019 1H: \$8.0 million). This was as a result of an increase in shipments due to a greater demand from our customers despite the challenging macro-environment.

Pivotal's gross profit for the half year decreased 26% to \$0.1 million (2019 1H: \$0.2 million). This decrease is in part due to the increase in California labor cost component of cost of goods sold. Furthermore, Pivotal saw a decrease of sales to integrated device manufacture (IDM) customers to \$0.6 million, which represented 6% of sales during the half year (2019 1H: \$2.17 million, 27% of sales). These sales are generally at a higher margin.

Pivotal Systems Corporation

Half-year period 30 June 2020

Directors' Report

REVIEW OF OPERATIONS AND FINANCIAL RESULTS (*CONTINUED*)

Financial results (*continued*)

Margins were also adversely impacted as Pivotal temporarily transitioned Transformation services, the final step in the manufacturing process for GFCs to its facilities in Fremont, California, while it identified and qualified a new contract manufacturer (CM) in Korea. In July, Pivotal successfully engaged a new CM in Korea and it has successfully passed audit with Pivotal's major customers. A significant benefit of this return of Transformation activities to Korea should be evidenced in future periods by significant improvement in gross margins on product sales resulting from the substantial elimination of United States Customs and Border Protection duties (as discussed below) which had been incurred on the temporary importation into the United States from China of semi-finished product for completion of the manufacturing process. In addition, Pivotal has implemented product cost reduction measures, and will continue to closely monitor profit margin.

Pivotal is in the process of applying for refunds from United States Customs and Border Protection on the aforementioned duties on all imported semi-finished product which were exported following Pivotal's completion of the products to customers outside the US. Although the return of these funds is uncertain, if received will result in a credit in future periods.

Pivotal has sufficient capacity to meet expected customer demand for Pivotal's GFC commensurate with continued improvement in the semiconductor manufacturing equipment sector for the 1H2020 and beyond.

Total operating expenses for the period were \$5.1 million (2019 1H: \$5.3 million), in line with management expectations, and were of a level to maintain the integrity and quality of operations. The operating loss of \$4.9 million is slightly lower than prior period (2019 1H \$5.1 million). The Company is working on reducing operating expenses without significantly affecting its ability to innovate and compete in the market.

In addition to the aforementioned engagement of a new CM in Korea for transformation manufacturing processes, Pivotal also engaged a CM in a new repair and upgrade center in Korea. The CM has fully commenced operations for repair of products sold to Korea customers. Pivotal will perform at its Fremont California facility, repairs of products sold to "rest of world" customers. These facilities provide warranty, repair and software upgrades to both IDM and OEM customers.

The Company achieved qualification and multiple repeat orders for the standard GFC for Etch at the leading Korean Etch OEM. Moreover, the Company received multiple repeat orders for the standard GFC at multiple Chinese IDM's for leading Etch Applications, and at the leading Chinese Etch OEM for Etch Applications.

Furthermore, Pivotal shipped a next generation process tool flow control solution to a leading Japanese OEM as covered in the Customer Development agreement signed in 2018.

Pivotal is also continuing the qualification of a new 2 channel Flow Ratio Controllers ("FRC") to a leading US Based OEM for deposition.

The Company successfully closed its RBI Preferred Stock Financing on 20 February 2020, receiving the initial funding of \$10 million.

Pivotal completed work on its first high flow GFC (50SLM) for potential use in both plasma enhanced chemical vapor deposition ("PECVD") and metal organic chemical vapor deposition ("MOCVD")

Pivotal Systems Corporation

Half-year period 30 June 2020

Directors' Report

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Events surrounding the ongoing COVID-19 outbreak have resulted in a reduction in economic activity across the world. The severity and duration of these economic repercussions are still largely unknown and ultimately will depend on many factors, including the speed and effectiveness of the containment efforts throughout the globe. We have observed demand increases in some areas of our business that support the stay-at-home economy, such as products used in data center infrastructure, notebook computers, 5G, Industry 4.0 and IOT. At the same time SEMI has improved its 2020 industry forecast to 6% growth in 2020 and over 10% growth in 2021. The extent to which COVID-19 will impact demand for our products depends on future developments, which are highly uncertain and very difficult to predict, including new information that may emerge concerning the severity of the coronavirus and actions to contain and treat its impacts. While our sites are currently operational, our facilities could be required to temporarily curtail production levels or temporarily cease operations based on future additional government mandates.

From the start of the COVID-19 outbreak, we proactively implemented preventative protocols intended to safeguard our team members, contractors, suppliers, customers, distributors, and communities, and ensure business continuity in the event government restrictions or severe outbreaks impact our operations at certain sites. We remain committed to the health and safety of our team members, contractors, suppliers, customers, distributors, and communities, and government policies and recommendations designed to slow the spread of COVID-19.

GOING CONCERN

This financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realization of assets and settlement of liabilities in the normal course of business.

During the period ended 30 June 2020, the Group incurred a loss after income tax of \$5.0 million (2019: \$5.1 million) and the Group's net cash outflows from operating activities for the period ended 30 June 2020 were \$4.3 million (2019: \$5.7 million).

The Directors believe that there are reasonable grounds to conclude that the Group will continue as a going concern, after consideration of the following factors:

- The securing of a \$10.0 million debt financing facility with Bridge Bank on 27 August 2019 comprising of a \$3.0 million term loan and a \$7.0 million working capital revolving credit line (refer note 12).
- The securing of \$13 million Revenue Based Redeemable Preferred Stock (RBI) with Anzu on 30 January 2020. The initial funding of \$10 million was received by Pivotal on 20 February 2020 for the issue of 10,000 RBI's of \$0.00001 par value per share, at a purchase price of USD\$1,000 per share. A subsequent funding of \$3 million is available at Pivotal's option in conjunction with the replacement of Pivotal's Bridge Bank senior term loan line of credit.
- Funding of US\$0.9 million received by Western Alliance Bank from the United States Government Small Business Administration, "SBA", Payroll Protection Program which is part of a program created by the Coronavirus Aid, Relief, and Economic Security Act, "CARES Act", which provides financial relief from the COVID-19 emergency. The company continues to expect to qualify for forgiveness of this loan under the provisions of the PPP Program.
- The expansion of market opportunities, as a result of the development and production of new products.

Pivotal Systems Corporation

Half-year period 30 June 2020

Directors' Report

GOING CONCERN(*CONTINUED*)

Accordingly, the directors believe the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the consolidated financial report.

DIVIDENDS

No dividends were paid or declared during the half-year ended 30 June 2020 and the Company does not intend to pay any dividends for the half-year ended 30 June 2020 (2019: \$Nil).

PRESENTATION CURRENCY

The functional and presentation currency of the Group is United States Dollars (US Dollars). The financial report is presented in US Dollars with all references to dollars, cents or \$'s in these financial statements presented in US currency, unless otherwise stated.

ROUNDING OF AMOUNTS

Unless otherwise stated, amounts in this report have been rounded to the nearest thousand United States Dollars.

JURISDICTION OF INCORPORATION

The Company is incorporated in the State of Delaware, United States of America and is a registered foreign entity in Australia. As a foreign company registered in Australia, the Company is subject to different reporting and regulatory regimes than Australian companies.

DELAWARE LAW, CERTIFICATE OF INCORPORATION AND BYLAWS

As a foreign company registered in Australia, the Company is not subject to Chapters 6, 6A, 6B and 6C of the Corporations Act dealing with the acquisition of shares (including substantial shareholdings and takeovers). Under the provisions of Delaware General Corporation Law ("DGCL"), shares are freely transferable subject to restrictions imposed by US federal or state securities laws, by the Company's certificate of incorporation or bylaws, or by an agreement signed with the holders of the shares at issue. The Company's amended and restated certificate of incorporation and bylaws do not impose any specific restrictions on transfer. However, provisions of the DGCL, the Company's Certificate of Incorporation and the Company's Bylaws could make it more difficult to acquire the Company by means of a tender offer (takeover), a proxy contest or otherwise, or to remove incumbent officers and Directors of the Company. These provisions could discourage certain types of coercive takeover practices and takeover bids that the Board may consider inadequate and to encourage persons seeking to acquire control of the Company to first negotiate with the Board. The Company believes that the benefits of increased protection of its ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure the Company outweigh the disadvantages of discouraging takeover or acquisition proposals because, among other things, negotiation of these proposals could result in an improvement of their terms.

Also refer to section 15 of the Additional Shareholder Information section of the Annual Report for further specific details on restrictions to registration of transfers in the Company's Bylaws.

Pivotal Systems Corporation

Half-year period 30 June 2020

Directors' Report

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

On 2 July 2020, in accordance with ASX Listing Rule 3.10A, the shares of Common Stock that were considered Restricted Securities and certain Company's unquoted options, were released from escrow, being 24 months from the date of commencement official quotation of the ASX.

During July and August 2020, 386,253 shares were issued on the exercise of options issued pursuant to the Company's equity incentive plan.

Other than the above, no other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Group's core growth strategy involves continuing its strong customer-driven product development focus in order to continue to increase the market share. The Group's growth strategy also includes:

1. Expanding the product portfolio which in turn increases the total addressable market size; and
2. Expanding relationships with key technology and industry partners in order to improve our product offering and delivery capabilities.

On behalf of the directors



John Hoffman
Director and Chief Executive Officer

27 August 2020 (Fremont PST), 28 August 2020 (Sydney AEST)

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 30 June 2020

	Note	30 Jun 2020 US\$'000	30 Jun 2019 US\$'000
Revenue	2	10,104	8,012
Cost of goods sold		(9,956)	(7,813)
Gross profit		148	199
Operating income and expenses			
Research & development	3	(1,425)	(1,743)
Selling & marketing	3	(1,634)	(1,537)
General & administrative	3	(2,014)	(2,025)
Total expenses		(5,073)	(5,305)
Operating loss		(4,925)	(5,106)
Other income	4	131	-
Finance income	4	-	99
Finance expenses	4	(160)	(69)
Net loss before income tax expense		(4,954)	(5,076)
Income tax expense		-	-
Net loss for the year		(4,954)	(5,076)
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to the members of Pivotal Systems Corporation		(4,954)	(5,076)
Loss per share attributable to the members of Pivotal Systems Corporation		US\$ per share	US\$ per share
Basic and diluted loss per share	5	(0.04)	(0.05)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position As at 30 June 2020

	Note	30 Jun 2020 US\$'000	31 Dec 2019 US\$'000
Assets			
Current assets			
Cash and cash equivalents	7	9,121	5,446
Trade and other receivables, net	12	5,954	5,823
Inventories, net	8	10,392	8,746
Other assets		151	314
Total current assets		25,618	20,329
Non-current assets			
Property, plant and equipment, net	9	928	307
Intangible assets, net	10	11,332	10,304
Right of use assets, net	11	1,075	1,192
Other assets		27	23
Total non-current assets		13,362	11,826
Total assets		38,980	32,155
Liabilities			
Current liabilities			
Trade and other payables	12	6,122	4,970
Employee benefits	13	521	443
Provisions		245	189
Borrowings	12	1,403	2,756
Lease liabilities	11	244	225
Total current liabilities		8,535	8,583
Non-current liabilities			
Borrowings	12	1,779	-
Lease liabilities	11	905	1,031
Total non-current liabilities		2,684	1,031
Total liabilities		11,219	9,614
Net assets		27,761	22,541
Contributed equity	14	181,159	171,315
Reserves		2,049	1,719
Accumulated losses		(155,447)	(150,493)
Total equity		27,761	22,541

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity For the half-year ended 30 June 2020

	Contributed equity US\$'000	Reserves US\$'000	Accumulated losses US\$'000	Total equity US\$'000
Balance at 1 January 2019	170,818	1,280	(140,538)	31,560
Loss after income tax expense for the year	-	-	(5,076)	(5,076)
Other comprehensive loss for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(5,076)	(5,076)
<i>Transactions with owners in their capacity as owners:</i>				
Shares issue on exercise of options	80	-	-	80
Share-based payments (note 15)	-	54	-	54
Balance at 30 June 2019	170,898	1,334	(145,614)	26,618
Balance at 1 January 2020	171,315	1,719	(150,493)	22,541
Loss after income tax expense for the year	-	-	(4,954)	(4,954)
Other comprehensive loss for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(4,954)	(4,954)
<i>Transactions with owners in their capacity as owners:</i>				
RBI Preferred Stock issued (note 14)	10,000	-	-	10,000
Shares issue on exercise of options	44	-	-	44
Share issue costs (note 14)	(200)	-	-	(200)
Share-based payments (note 15)	-	330	-	330
Balance at 30 June 2020	181,159	2,049	(155,447)	27,761

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the half-year ended 30 June 2020

	Note	30 Jun 2020 US\$'000	30 Jun 2019 US\$'000
Cash flows used in operating activities			
Receipts from customers		9,708	5,185
Payments to suppliers and employees		(14,042)	(10,858)
Interest received		-	89
Interest paid		(131)	(67)
Insurance proceeds received		131	-
Net cash used in operating activities		(4,334)	(5,651)
Cash flows used in investing activities			
Payments for property, plant and equipment		(717)	(100)
Payments for capitalized development expenses		(1,467)	(1,941)
Net cash used in investing activities		(2,184)	(2,041)
Cash flows from financing activities			
Payment of share issue costs		(115)	-
Proceeds from the issue of preferred stock	14	10,000	-
Proceeds from the exercise of options		44	50
Proceeds from bank loans	12	907	-
Repayment of bank loans	12	(500)	-
Transaction costs related to the loans and borrowings		(26)	-
Mandatory deposit held in financing institutions		-	(100)
Lease principal repayments	11	(107)	(52)
Net cash from/(used in) financing activities		10,203	(102)
Net increase/(decrease) in cash and cash equivalents		3,685	(7,794)
Cash and cash equivalents at the beginning of the financial period		5,446	17,489
Net effect of foreign exchange		(10)	10
Cash and cash equivalents at the end of the year	7	9,121	9,705

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

Note 1. Significant accounting policies

The interim consolidated financial report of Pivotal Systems Corporation (“Pivotal” or “Company”) and its controlled entities (“Consolidated Entity” or “Group”) for the half-year ended 30 June 2020 is prepared in accordance with Australian Accounting Standard AASB 134 “Interim Financial Reporting”. The half-year Report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report and any public announcements made by Pivotal during the interim period.

Functional currency

The financial statements are presented in US dollars, which is the functional and presentational currency of the Group. There has been no change in the functional and presentational currency of the Group.

Rounding of amounts

Amounts in this report have been rounded off to the nearest thousand United States dollars unless otherwise stated.

Going Concern

This interim financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

During the period ended 30 June 2020, the Group incurred a loss after income tax of \$5.0 million (30 June 2019: \$5.1 million) and the Group’s net cash outflows from operating activities for the period ended 30 June 2020 were \$4.3 million (30 June 2019: \$5.7 million).

The Directors believe that there are reasonable grounds to conclude that the Group will continue as a going concern, after consideration of the following factors:

- The securing of a \$10.0 million debt financing facility with Bridge Bank on 27 August 2019 comprising of a \$3.0 million term loan and a \$7.0 million working capital revolving credit line (refer note 12).
- The securing of \$13 million Revenue Based Redeemable Preferred Stock (RBI) with Anzu on 30 January 2020. The initial funding of \$10 million was received by Pivotal on 20 February 2020 for the issue of 10,000 RBI’s of \$0.00001 par value per share, at a purchase price of USD\$1,000 per share. A subsequent funding of \$3 million is available at Pivotal’s option in conjunction with the replacement of Pivotal’s Bridge Bank senior term loan line of credit.
- Funding of US\$0.9 million received by Western Alliance Bank from the United States Government Small Business Administration, “SBA”, Payroll Protection Program which is part of a program created by the Coronavirus Aid, Relief, and Economic Security Act, “CARES Act”, which provides financial relief from the COVID-19 emergency. The company continues to expect to qualify for forgiveness of this loan under the provisions of the PPP Program.
- The expansion of market opportunities, as a result of the development and production of new products.

Accordingly, the directors believe the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the consolidated interim financial report.

Notes to the Consolidated Financial Statements

Significant accounting policies

The same accounting policies and methods of computation are following in these interim financial statements as compared with the annual financial statements for the year ended 31 December 2019.

In the current period, the Group has adopted all of the new and revised accounting standards and interpretations issued by the Australian Accounting Standards Board ("AASB") and the International Financial Reporting Interpretations Committee ("IFRIC") that are relevant to its operations and effective for the current reporting period. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Note 2. Revenue from contracts with customers

	30 Jun 2020 US\$'000	30 Jun 2019 US\$'000
Product revenue (recognised at a point in time)	10,204	8,265
Provision for sales returns and discounts	(100)	(253)
Net revenue from contracts with customers	10,104	8,012

The following table reflects net revenue by type of customer:

	30 Jun 2020 US\$'000	30 Jun 2019 US\$'000
Integrated device manufacturer (IDM)	609	2,165
Original equipment manufacturer (OEM)	9,495	5,847
Net revenue from contracts with customers	10,104	8,012

Note 3. Operating expenses

Net Operating Loss includes the following specific expenses:

	30 Jun 2020 US\$'000	30 Jun 2019 US\$'000
<i>Research & development expenses</i>		
Amortization of capitalized development costs (Note 10)	874	1,155
Salary and benefits	469	389
Other	82	199
	1,425	1,743
<i>Selling & marketing expenses</i>		
Salary and benefits	686	601
Commissions and bonuses	427	384
Travel and outside services	317	359
Other	204	193
	1,634	1,537

Notes to the Consolidated Financial Statements

Note 3. Operating expenses (continued)

	30 Jun 2020 US\$'000	30 Jun 2019 US\$'000
General & Administrative expenses		
Salary and benefits	779	720
Travel and outside services	697	789
Other	538	516
	2,014	2,025

Note 4. Other Income and Expenses

	30 Jun 2020 US\$'000	30 Jun 2019 US\$'000
Other income		
Gain on insurance proceeds (1)	131	-
	131	-
Finance income		
Interest income	-	89
Foreign exchange gains	-	10
	-	99
Finance expense		
Interest expense (2)	(150)	(67)
Foreign exchange losses	(10)	(2)
	(160)	(69)

(1) Insurance proceeds received due to a claim related with the theft of certain equipment. The net carrying value of the stolen assets was zero at the time of the event.

(2) As of 30 June 2020, interest expense included \$44,216 implicit interest paid for the lease liability, according to the incremental borrowing rate under AASB 16 and \$106,039 related to borrowings.

Notes to the Consolidated Financial Statements

Note 5. Net loss per share

Basic net loss per share has been computed by dividing the net loss by the weighted-average number of shares of common stock outstanding during the period. Diluted net loss per share is calculated by dividing net loss by the weighted-average number of shares of common stock and potential dilutive securities outstanding during the period.

Because the Group is in a net loss position, diluted net loss per share excludes the effects of common stock equivalents consisting of stock options, and preferred shares, which are all anti-dilutive. The total number of shares subject to stock options were excluded from consideration in the calculation of diluted net loss per share.

	30 Jun 2020 US\$'000	30 Jun 2019 US\$'000
Net loss attributable to ordinary equity holders of Pivotal Systems Corporation used in calculating basic and diluted loss per share:	(4,954)	(5,076)
	Number	Number
Weighted average number of ordinary shares for basic and diluted loss per share	113,306,201	111,237,115
	US\$	US\$
Basic and diluted loss per share	(0.04)	(0.05)

Note 6. Operating segments

For operating purposes, the Group is organized into one main operating segment, focused on the technological design, development, manufacture and sale of high-performance gas flow controllers.

All the activities of the Group are interrelated, and each activity is dependent on the others. Accordingly, all significant operating disclosures are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

Pivotal Systems Corporation derives all of the revenue of the Group and maintains the majority of the assets in the United States.

Geographically, the Group has the following revenue information based on the location of its customers:

	30 Jun 2020 US\$'000	30 Jun 2019 US\$'000
Asia	8,155	5,322
North America	1,949	2,690
	10,104	8,012

The following customers accounted for more than 10% of revenues:

Customer A	66%	49%
Customer B	13%	22%
Customer C	-	19%
	79%	90%

Notes to the Consolidated Financial Statements

Note 7. Current assets - cash and cash equivalents

	30 Jun 2020 US\$'000	31 Dec 2019 US\$'000
Cash at bank	9,121	5,446
Cash and cash equivalents	9,121	5,446

Minimum cash requirement

Pursuant to the covenants of the Bridge Bank credit facility, the Company is committed to maintain a \$2.0 million minimum cash balance. There are no restrictions or other limitations on the use of cash and cash equivalents.

As of June 30th, 2020, \$0.1M of the total cash balance is being held in a separate account established for the purpose of redeeming Preferred RBI shares at a future date. The funds from this account will not be used for normal business activities (See Note 14).

Note 8. Current assets inventories

	30 Jun 2020 US\$'000	31 Dec 2019 US\$'000
Raw materials	8,033	7,394
Work in progress	1,240	1,054
Finished goods	1,564	827
Inventories	10,837	9,275
Less: Provision for impairment	(445)	(529)
Inventories, net	10,392	8,746

Note 9. Non-current assets - property, plant and equipment

	30 Jun 2020 US\$'000	31 Dec 2019 US\$'000
Leasehold improvements - at cost	201	61
Less: Accumulated depreciation	(50)	(21)
Leasehold improvements, net	151	40
Plant and equipment - at cost	2,501	1,813
Less: Accumulated depreciation	(1,724)	(1,546)
Plant and equipment, net	777	267
Property, plant and equipment, net	928	307

Notes to the Consolidated Financial Statements

Note 9. Non-current assets - property, plant and equipment *(continued)*

	Leasehold improvements US\$'000	Plant & equipment US\$'000	Total US\$'000
Balance at 1 January 2020	40	267	307
Additions	139	688	827
Costs of assets impaired	-	(1)	(1)
Accumulated depreciation of assets impaired	-	1	1
Depreciation expense	(28)	(178)	(206)
Balance at 30 June 2020	151	777	928

Note 10. Non-current assets - intangible assets

	30 Jun 2020 US\$'000	31 Dec 2019 US\$'000
Capitalized development - at cost	24,263	22,361
Less: Accumulated amortization	(12,931)	(12,057)
	11,332	10,304
Net written down value intangible assets	11,332	10,304

	Capitalized Development US\$'000
Balance at 1 January 2020	10,304
Additions	1,902
Amortization expense	(874)
Balance at 30 June 2020	11,332

Notes to the Consolidated Financial Statements

Note 11. Right-of-use assets and Lease Liabilities

	30 Jun 2020 US\$'000	31 Dec 2019 US\$'000
Right-of-use assets	1,397	1,397
Less: Accumulated amortization	(322)	(205)
Right-of-use assets, net	<u>1,075</u>	<u>1,192</u>
Lease Liabilities, opening balance	1,256	289
Additions	-	1,121
Payments that reduce the present value of the lease liability	(107)	(154)
Lease Liabilities, final balance	<u>1,149</u>	<u>1,256</u>
Current	244	225
Non-Current	905	1,031
Total Lease Liabilities	<u>1,149</u>	<u>1,256</u>

Note 12. Financial assets and liabilities

Set out below is an overview of financial assets (other than cash and short-term deposits) and financial liabilities held by the Group as at 30 June 2020:

	30 Jun 2020 US\$'000	31 Dec 2019 US\$'000
Financial assets		
Trade and other receivables	6,554	6,423
Less: Credit loss allowance	(600)	(600)
Total financial assets	<u>5,954</u>	<u>5,823</u>
Current	5,954	5,823
Non-current	-	-
Total financial assets	<u>5,954</u>	<u>5,823</u>
Financial liabilities		
Trade and other payables	6,122	4,970
Borrowings (1)	3,182	2,756
	<u>9,304</u>	<u>7,726</u>

Notes to the Consolidated Financial Statements

Note 12. Financial assets and liabilities (*continued*)

Financial liabilities	7,525	7,726
Current		
Non-current	1,779	-
Total financial liabilities	9,304	7,726

(1) Bridge Bank Loan and SBA Loan

	Bridge Bank US\$'000	SBA Loan US\$'000	Total US\$'000
Balance as at 1 January 2020	2,756	-	2,756
Financial liability with Western Alliance (2)	-	907	907
Interest accrued on facility	106	-	106
Interest paid on facility	(87)	-	(87)
Repayment of facility (1)	(500)	-	(500)
Balance as at 30 June 2020	2,275	907	3,182

(1) Bridge Bank Loan

On 27 August 2019, the Company closed a US\$10.0 million business financing agreement with Bridge Bank, a division of Western Alliance Bank (NYSE: WAL). The facility is secured by all the assets of the Company and is comprised of:

- US\$7.0 million working capital revolving credit line ("Revolving Credit Line"); and
- US\$3.0 million term loan ("Term Loan").

The amount of liquidity available under the US\$7.0 million Revolving Credit Line is based upon the Company's balances and composition of eligible customer receivables and inventory, as well as other factors. Amounts borrowed under the Revolving Credit Line mature and become due and payable in 24 months, unless extended by the parties. The Revolving Credit Line bears interest at a rate equal to 1% above the Prime Rate, floating on the average outstanding balance. As of June 30, 2020, there are currently no amounts drawn under the Revolving Credit Line.

The US\$3.0 million Term Loan provides funds for capital expenditures and other corporate purposes and is payable in thirty-six (36) equal monthly installments of principal, plus all accrued interest commencing in October 2019. The term loan bears interest at a rate equal to 1.5% above the Prime Rate, floating on the average outstanding balance and has a US\$75,000 fee payable upon the earlier of payoff or final principal payment.

The Prime Rate for both, the Revolving Credit Line and the Term Loan, has a floor of 5.25%. The transaction costs payable upon execution of the facility were US\$25,000.

On 3 September 2019, the Company drew down the Term Loan for US\$3.0 million. Pivotal has been making periodic payment to the term loan and the balance as of June 30, 2020 is \$2.3 million.

Notes to the Consolidated Financial Statements

Note 12. Financial assets and liabilities (*continued*)

(2) SBA Loan

In response to the potential adverse impact on the Company of the COVID-19 pandemic, on 21 April, 2020, the Company signed loan documents with Western Alliance Bank and received funding of US\$0.9 million from the United States Government Small Business Administration ("SBA"), Payroll Protection Program ("PPP") which is part of a program created by the Coronavirus Aid, Relief, and Economic Security Act, "CARES Act", which provides financial relief from the COVID-19 emergency.

This loan bears interest at a fixed rate equal to 1.0% per annum and is payable every month beginning December 2020. This loan, guaranteed by the SBA, will mature in 2 years. SBA may forgive this loan if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities. The company continues to expect to qualify for forgiveness of all, or virtually all, of this loan under the provisions of the PPP program.

The Company is in compliance with the financial covenants of its borrowing facilities outstanding as of 30 June 2020.

Note 13. Current provisions - employee benefits

	30 Jun 2020 US\$'000	31 Dec 2019 US\$'000
Provision for annual leave	521	443
	521	443
<i>Movement in provision for annual leave:</i>		
Opening balance	443	423
Additions	117	276
Leave taken	(39)	(256)
Closing balance	521	443

Note 14. Equity - Contributed equity

	30 Jun 2020 Number	30 Jun 2020 US\$'000	31 Dec 2019 Number	31 Dec 2019 US\$'000
Shares of Common Stock (a)	113,594,313	171,359	113,269,313	171,315
Shares of Preferred Stock (b)	10,000	9,800	-	-
	113,604,313	181,159	113,269,313	171,315

Notes to the Consolidated Financial Statements

Note 14. Equity - Contributed equity (*continued*)

(a) Movements in Shares of Common Stock

	Shares Number	US\$'000
Balance as at 1 January 2020	113,269,313	171,315
Common Shares issued on exercise of options (Note 15)	325,000	44
Balance as at 30 June 2020	<u>113,594,313</u>	<u>171,359</u>

(b) Movements in Shares of Preferred Stock

	Shares Number	US\$'000
Balance as at 1 January 2020	-	-
Preferred Shares issued to RBI Financing	10,000	10,000
Share issue costs due to RBI Financing	-	(200)
Balance as at 30 June 2020	<u>10,000</u>	<u>9,800</u>

Terms and conditions of contributed equity

Ordinary Shares (Common Stock)

The holders of ordinary shares participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have a par value of \$0.00001 and the Company has a limited amount of authorized capital of 370,000,000 shares, 250,000,000 of which are designated "Common Stock" and 120,000,000 of which are designated "Common Prime Stock".

On a show of hands the holders of Common Stock are entitled for one vote for each share of common stock held at the meetings of stockholders (and written actions in lieu of meetings). There is no cumulative voting. They are also entitled to receive, when, as and if declared by the Board, out of any assets of the Company legally available therefor, any dividends as may be declared from time to time by the Board.

The holders of Common Prime Stock are not entitled to any voting rights or powers, except as otherwise required by law. They are also not entitled to share in any dividends or other distributions of cash, property or shares of the Company as may be declared by the Board on the Common Stock.

In connection with the Company's IPO of CDIs which were issued on 2 July 2018, with each CDI representing an interest in one share of Common Stock, certain stockholders entered into an escrow agreement with the Company under which the stockholder agreed, among other things, to certain restrictions and prohibitions for a period of time (the "Lock-Up Period"), from engaging in transactions in the shares of Common Stock (including Common Stock in the form of CDIs), shares of Common Stock that may be acquired upon exercise of a stock option, warrant or other right, and shares of Common Stock that arise from such Common Stock (collectively, the "Restricted Securities"). The Restricted Securities shall automatically be converted into shares of Common Prime Stock, on a one for one basis if the Company determines, in its sole discretion, that the stockholder breached any term of the stockholder's escrow agreement or breached the official listing rules of the ASX relating to the Restricted Securities.

Notes to the Consolidated Financial Statements

Note 14. Equity - Contributed equity (*continued*)

Any shares of Common Stock converted to Common Prime Stock under these terms should be automatically converted back into shares of Common Stock, on a one for one basis, upon the earlier to occur of (i) the expiration of the Lock-Up Period in the escrow agreement or the (ii) breach of the listing rules being remedied, as applicable.

On 2 July 2020 the Lock-Up Period ended and all the Restricted Securities were released from escrow. No Restricted Securities were converted into shares of Common Prime Stock. See Note 18 - Events after the reporting period.

Preferred Shares (RBI Financing)

The authorized capital of the Company includes 13,000 shares of Preferred Stock, \$1,000 par value per share, 13,000 of which have been designated RBI Preferred Stock.

On 20 February 2020, the Company received US\$10.0 million funding from the issue of 10,000 RBI Preferred Stock to Anzu Industrial RBI USA LLC. The issue costs related with this financing were US\$0.2 million. The Company has the ability to raise a further US\$3.0 million under the RBI Preferred Stock agreement, on repayment of the Bridge Bank facility and on the Company meeting certain trailing revenue requirements. Anzu is entitled to a non-cumulative priority preference dividend of 2%, payable at the Company's discretion.

As per the Agreement, the "First Redemption" of RBI Preferred Shares will be redeemable based on the aggregate amounts attributed to the prior 10 months (4% of net revenues/month). Please refer to the discussion on the RBI facility in the "Going Concern Section". After the first redemption, following redemptions of RBI Preferred Shares will occur on a quarterly basis and will be based on an amount equal to 4% of Pivotal's previous financial quarter revenues. The "First Redemption" is anticipated to be in Q2 2021 for revenue periods May 2020 through February 2021. The number of shares to be redeemed during the quarter is based on the established share price, as defined in the agreement. If the Company fails to make an anticipated redemption, Anzu may send notice to state that the anticipated redemption has not been made. The Company would have a 30-day period to make the anticipated redemption. If the anticipated redemption is not made at the end of the period, the share price would increase to the greater of the current share price plus \$1,000, or \$3,000.

The Company shall deposit an amount equal to 4% of the provisions financial quarter revenues into a bank account to be used for no other purpose than to redeem shares of RBI Preferred stock pursuant to the agreement.

While the total value payable is 'fixed' based on quarterly revenue, the number of shares to be redeemed decreases if an anticipated redemption is not made.

The Company has no contractual obligation to make the share redemptions. In the event of a failure to make an anticipated redemption, the Company may indefinitely delay or defer cash settlement at the increased settlement price.

There is no fixed term to the redemption period on the RBI Preferred Shares. The Company will redeem the RBI Preferred Shares in case of insolvency, liquidation or similar bankruptcy; an event of default; a change of control or if the Company disposes all or substantially all its assets, property or business.

The RBI Preferred Shares do not carry any voting rights other than one vote per share (or per shareholder in a show of hands) during a period in which a dividend or part of a dividend in respect to RBI Preferred Shares is in arrears (declared but not paid), or during the winding up of the Issuer.

Notes to the Consolidated Financial Statements

Note 14. Equity - Contributed equity (*continued*)

RBI Preferred Shares also carry voting rights of one vote per share, on a proposal:

- that affects rights attached to RBI Preferred Shares;
- to wind up the Issuer; or
- for the disposal of the property, business and undertaking of the Issuer.

The RBI Preferred Shares carry voting rights of one vote per share, on a resolution to approve:

- The terms of a share buy-back arrangement, other than the buy-back of RBI Preferred Shares; or
- A reduction in share capital of the Issuer, other than a reduction with respect to RBI Preferred Shares.

Note 15. Share-based payments

Share based payment reserve

The reserve is used to recognize the value of equity benefits provided to employees, consultants and directors as part of their remuneration, and other parties as part of their compensation for services.

	WAEP \$	Share options Number	Share Based Payment Reserve US\$'000
Opening reserve 1 January 2020	0.46	14,469,242	1,719
Expense in the period		-	330
Granted	0.97	4,025,000	-
Exercised	0.13	(325,000)	-
Forfeited	1.07	(691,564)	-
Expired	11.69	(11,373)	-
Closing reserve 30 June 2020	0.56	17,446,305	2,049

Share based payment expense:

	30 Jun 2020 US\$'000	30 Jun 2019 US\$'000
Options issued to directors, employee and consultants	330	54
	330	54

The Company grants stock options to its employees, directors, and consultants for a fixed number of shares with an exercise price equal to or greater than the fair value of the common stock at the date of grant and expire no later than 10 years from the date of grant.

The 2003 Equity Incentive Plan expired in 2012 however 7,036 (2019: 18,409) unexercised options are still outstanding as at 30 June 2020.

Notes to the Consolidated Financial Statements

Note 15. Share-based payments (*continued*)

The 2012 Equity Incentive Plan (the “Share Plan”) adopted on 29 June 2012, last amended on June 2020, authorized the Company to grant incentive stock options and non-statutory stock options to employees, directors, and consultants for up to 25,726,575 (2019: 22,226,575) shares of common stock. Incentive Stock Options (“ISO”) may be granted only to employees. Nonqualified stock options may be granted to employees, directors and consultants. The Company issues new shares of common stock upon the exercise of stock options.

The Share Plan grants are based on employee’s contribution and commitment to the Company over a period of several years plus the ability of the employees to impact and influence the outcome and direction of the organization in the future. The shares under the Share Plan which are not yet vested will be accounted for as non-cash expense over the remainder of the vesting period.

The expected dividend yield for all options granted during these periods was nil. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Note 16. Contingent liabilities and contingent assets

The Group has no material contingent liabilities or contingent assets as at 30 June 2020 (2019: Nil).

Note 17. Related party transactions

Subsidiaries

The Consolidated financial statements include the financial statements of Pivotal Systems Corporation and the following subsidiaries:

Name	Country of incorporation	Beneficial interest	
		2020	2019
Pivotal Systems Korea, Ltd	Republic of Korea	100%	100%

Key management personnel

The following persons were identified as key management personnel of Pivotal during the half-year ended 30 June 2020:

John Hoffman	Executive Chairman and Chief Executive Officer
Dr. Joseph Monkowski	Executive Director and Chief Technical Officer
Dennis Mahoney	Chief Financial Officer (appointed 5 June, 2020)
Timothy D. Welch	Chief Financial Officer (resigned 5 June, 2020)
Ryan Benton	Independent Non-Executive Director
Kevin Landis	Non-Executive Director
Peter McGregor	Independent Non-Executive Director
David Michael	Non-Executive Director

Notes to the Consolidated Financial Statements

Note 17. Related party transactions (*continued*)

Transactions with related parties

Anzu Partners, LLC, an entity of which David Michael is a director, provided US based public relation services and due diligence services, to the Group totaling US\$7,500, and US\$25,000, respectively, during the half-year (2019: US\$7,500).

On 30 January 2020, the Company signed a definitive preferred stock investment agreement with Anzu Industrial RBI USA LLC ("RBI), a fund organised by Anzu Partners, LLC, providing Pivotal with up to US\$13.0 million in additional funding required to grow and expand the business. On 20 February 2020 the Company received the first tranche of the RBI financing for US\$10.0 million in exchange of 10,000 RBI of \$0.00001 par value per share, at a purchase price of US\$1,000 per share.

Other than the compensation of key management personnel, there were no other transactions with related parties.

Receivable from and payable to related parties

As at 30 June 2020, payables of US\$21,250 were owed to Ryan Benton (2019: Nil) and US\$21,250 to Peter Mc Gregor (2019: Nil) for services provided as members of the Board of Directors.

There were no other trade receivables from or trade payables to related parties at the current and previous reporting dates.

Note 18. Events after the reporting period

On 2 July 2020, in accordance with ASX Listing Rule 3.10A, the shares of Common Stock that were considered Restricted Securities and certain Company's unquoted options, were released from escrow, being 24 months from the date of commencement official quotation of the ASX.

During July and August 2020, 386,253 shares were issued on the exercise of options issued pursuant to the Company's equity incentive plan.

Other than the above, no other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Directors' Declaration

In accordance with a resolution of the directors of Pivotal Systems Corporation, the directors of the Company declare that:

1. The interim financial statements and notes thereto, comply with Australian Accounting Standard *AASB 134 Interim Financial Reporting*;
2. The interim financial statements and notes thereto, give a true and fair view of the Group's financial position as at 30 June 2020 and of the performance for the half-year ended on that date; and
3. In the directors' opinion there are reasonable grounds to believe that Pivotal Systems Corporation will be able to pay its debts as and when they become due and payable.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'John Hoffman', with a long horizontal flourish extending to the right.

John Hoffman
Executive Chairman and Chief Executive Officer

27 August 2020 (Fremont PST), 28 August 2020 (Sydney AEST)

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Pivotal Systems Corporation

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Pivotal Systems Corporation (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the accompanying half-year financial report of the Group does not present, in all material respects, the financial position of the Group as at 30 June 2020, and of its financial performance and its cash flows for the half-year ended on that date, in accordance with Accounting Standard AASB 134 *Interim Financial Reporting*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Group*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the 30 June 2020 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the half-year financial report does not present, in all material respects, the financial position of the Group as at 30 June 2020 and of its financial performance and its cash flows for the half-year ended on that date, accordance with Accounting Standard AASB 134 *Interim Financial Reporting*.



A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'Gareth Few'. Above the signature, the letters 'BDO' are written in a cursive, handwritten style.

Gareth Few
Director

Sydney, 28 August 2020